

Hussein Plans To Visit Syria As Ties Grow

AMMAN, Jordan — King Hussein has accepted an invitation from President Hafez al-Assad of Syria to visit Damascus, Prime Minister Abdul Raouf al-Kasm of Syria said Wednesday.

Mr. Kasm said before leaving Amman after two days of political reconciliation talks with Jordan that a date for the visit would be announced later.

Diplomats said Hussein's trip, expected this month, would seal a rapprochement between the two neighboring countries that began in September after Arab League mediation.

The Syrian prime minister had more than eight hours of talks with Hussein and Prime Minister Zaid Rifai of Jordan.

Mohammed al-Khatib, the Jordanian information minister, said a joint communiqué would be issued in both capitals later.

The talks between the Syrian and Jordanian prime ministers were the fourth in a series of reconciliation meetings to overcome political disputes that led to border tension in 1980.

Jordan and Syria have differed on ways to achieve Middle East peace, over Yasser Arafat's leadership of the Palestine Liberation Organization and the Iran-Iraq war.

Jordan supports Iraq and Mr. Arafat, while Syria backs Iran and anti-Arafat groups in the PLO. Both sides, however, are against direct peace talks with Israel.

The Amman-Damascus rapprochement has led to a drive for more economic ties.

Connecticut Student, 13, Shoots, Kills Custodian

PORTLAND, Connecticut — A 13-year-old student armed with a semiautomatic .9mm rifle shot and killed a custodian at Portland Junior High School and injured the principal and a secretary, the state police said.

The youth, who also held a seventh-grade student hostage in a second-floor corridor of the school for nearly a half hour Tuesday, was captured after an aunt pleaded with him over the school's intercom system to throw the gun out a window, the police said. A police spokesman said he had no idea what provoked the shooting.

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GENOVA — "Guilty She Grief," Auberge du Parc des Bains, April 11-13.
VIENNA — "A Vintage Affair," Hotel Schloss Dornbach, April 18-20.
BRUSSELS — "Murder Marm Foul," Relais du Marquis, April 25-27.
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Dr. Yevgeni Chazov of the Nobel prize-winning international physicians group, delivering the post-award lecture during which he criticized U.S. plans for a missile defense.

Soviet Replaces Navy Chief of 29 Years

MOSCOW — Admiral Sergei G. Gorshkov, commander of the Soviet Navy for 29 years, has been replaced, but would give no further details.

Western naval attachés in Moscow were unaware of the change, but speculated that it was because of Admiral Gorshkov's age rather than disfavor.

Little was known about Admiral Chernavin, 57, who has served as one of two first deputy commanders in chief of the navy since March 1982, the attachés said.

Admiral Gorshkov's replacement by Admiral Vladimir N. Chernavin, naval chief of staff, was the latest in a series of changes in the top ranks of the military since Mikhail S. Gorbachev became the Soviet leader in March.

His departure was implied by an item in Wednesday editions of the armed forces daily newspaper Krasnaya Zvezda, which reported

the arrival of "Naval Commander-in-Chief Chernavin" in Tunis.

The ministry spokesman confirmed that Admiral Gorshkov had been replaced, but would give no further details.

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SDI Is Step Toward 'Catastrophe,' Soviet Winner of Peace Prize Says

OSLO — The Soviet co-president of the international group of physicians that won the 1985 Nobel Peace Prize said Wednesday that President Ronald Reagan's space-based Strategic Defense Initiative constituted "one more step toward nuclear catastrophe."

But Dr. Yevgeni Chazov, the Soviet deputy health minister whose sharing in the award to the International Physicians for the Prevention of Nuclear War prompted strong criticism from human rights organizations, insisted Wednesday that the group's program "is not a political declaration of either Communists or capitalists."

"It is that is demanded by reason, by people the world over who want to live," the Moscow cardiologist said in his post-award lecture.

The peace prize was received Tuesday by Dr. Chazov and his co-president, Dr. Bernard Lown, professor of cardiology at the Harvard School of Public Health.

"The space shield" will mean one more step toward nuclear catastrophe, not only because it would cre-

ate temptation to effect a first strike with impunity," Dr. Chazov said. "Any defense will inevitably lead to the creation of the means to overcome it. Thus the spiral of the arms race—nuclear, conventional, laser and other—will again soar steeply, undermining strategic stability."

In an advance text of his post-award lecture, Dr. Lown said: "Every historic period has its Cassandra. Our era is the first in which prophecies of doom stem from objective scientific analyses."

He added, "Nearly a quarter of a century ago, a study by American physicians concluded that medicine, which in past wars mitigated misery and saved lives, had nothing to offer following nuclear war."

The awarding of the peace prize to the physicians group was criticized by human rights activists because Dr. Chazov signed a 1973 letter denouncing Andrei D. Sakharov, the dissident Soviet physicist. Mr. Sakharov, the only previous Soviet recipient of the Nobel Peace Prize, won it in 1975.

The U.S. Senate adopted a reso-

lution calling on the Nobel selection committee to rescind the prize, and the British government criticized Dr. Chazov's sharing in the award.

The U.S., British and West German ambassadors to Norway were out of the country Tuesday in what was seen as a demonstration of unhappiness with the award.

Helsinki Watch Protests

The Helsinki Watch Committee formally protested the awarding of the peace prize to Dr. Chazov, United Press International reported from Washington.

The private U.S. organization sent a telegram Monday to the selection committee contending that conferring the prize on Dr. Chazov "would be a blow to the aspirations of those who long for peace throughout the world."

The committee, formed to monitor compliance with the 1975 Helsinki accords on human rights, said it would be satisfied if someone other than Dr. Chazov were selected to receive the prize on behalf of the physicians' group.



Vladimir N. Chernavin

Zvezda that with its sophisticated new weaponry, the Soviet fleet could wipe out enemy targets on a worldwide scale.

Executions By Vigilantes Reported In Kampala

LONDON — A spate of vigilante executions in Kampala, capital of Uganda, has brought civil order there to the brink of collapse, the Times of London reported Wednesday.

"Once your main concern was avoiding the potholes in the road," the paper quoted Alan Williamson, a British businessman in Kampala, as saying. "Now you are steering round dead bodies."

The paper said that Mr. Williamson told of having seen evidence of slaughter each day for the past week while traveling between his stores in Kampala and his home five miles (eight kilometers) away.

The Times reported that the rule of law had been weakened in Kampala since the country's most recent coup, on July 27, that overthrew President Milton Obote. It said, again without citing sources, that soldiers involved in the coup were responsible for widespread looting.

The Times report, written by Paul Valley, cited a "frenzy of revenge killings" in the capital that had littered the streets with pulverized and dismembered corpses.

Local people call the killings the *gogolimo*, the report said, explaining that this meant "cleaning of the past."

"Victims range from petty criminals caught in some misdemeanor to brutal officials from former administrations who may have been marked men for years," Mr. Valley reported, without citing his sources. "The executions are ordinary townsfolk who gather in packs as soon as a hue and cry is raised and descend in frenzy on their victims, who are often quite literally pulled limb from limb."

The paper quoted Mr. Williamson as saying: "I once heard a howl and the mob closed in on someone—I couldn't see who or why. From the middle of the crowd I saw a man's arm tossed up; it whirled in the air and as it fell some of the crowd descended on it again."

The report said that stoning and burning alive were frequent methods of murder.

"There is a definite ritual element to it," the paper quoted an unnamed Ugandan civil servant as saying. "They use huge boulders for the stoning and continue long after the person is dead."

The Ugandan added: "Often old scores are settled in seconds. Someone will point and shout, 'Him, him, him,' and the next victim is found."

President Daniel arap Moi of Kenya, meanwhile, announced Tuesday that the Ugandan military government planned to sign a peace agreement with the main guerrilla group on Friday to reunite the country.

Egli Elected Swiss President

BERN — Interior Minister Alois Egli, 61, was elected by Parliament Wednesday to the ceremonial post of president of the Swiss confederation for 1986, succeeding Economics Minister Kurt Furgler. Both are Christian Democrats.

WORLD BRIEFS

West Beirut Patrolled to End Violence

BEIRUT (Reuters) — A token Lebanese Army and police force patrolled West Beirut on Wednesday and set up checkpoints in another effort to end militia anarchy.

The measures were prompted by five days of street fighting last month between the Druze-led Progressive Socialist Party and the Shiite Muslim Amal militia. Sixty-eight people died in the fighting. A Druze-Shiite strike force, which halted the fighting Nov. 24, has pledged to help the army-police force keep the peace.

The measures resemble a short-lived plan mediated by Syria in July after previous Druze-Shiite clashes. Forty Syrian observers, in West Beirut since then, will help supervise the new effort.

Reagan Orders Lie-Detector Tests

WASHINGTON (AP) — President Ronald Reagan, trying to crack down on spying and news leaks, has ordered that government employees and contractors seeking access to highly classified information submit to mandatory lie-detector tests, it was announced Wednesday.

The White House spokesman, Larry Speakes, said that while "this doesn't include everybody with security clearances," members of Mr. Reagan's cabinet would be among those required to take the polygraph tests. It was not clear how many people would be covered by the order, which Mr. Reagan signed Nov. 1. The Los Angeles Times, which first reported the order, cited estimates that more than 10,000 people would be covered.

Even within the administration there has been resistance to the use of lie-detector tests. A State Department official, speaking privately, said that Secretary of State George P. Shultz was against the idea "as a matter of principle."

Arab-Americans in Peril, FBI Reports

WASHINGTON (NYT) — William H. Webster, director of the Federal Bureau of Investigation, has warned that Arab-Americans have entered a "zone of danger" and are targets of violence by a group seeking to harm "enemies of Israel."

At the National Press Club on Tuesday, Mr. Webster said that the FBI had found links among a series of recent attacks on Arab-Americans, although he did not provide a detailed description of the group purportedly behind the incidents.

Militant Jewish organizations have come under suspicion in five terrorist attacks this year, including two bombings of Arab-American groups, that have caused two deaths and several injuries. The FBI had said previously that it believed the Jewish Defense League might have been involved in at least one of the attacks. The Defense League has denied any responsibility.

Israel Asks \$3.5 Billion in U.S. Aid

JERUSALEM (WP) — Israel presented to the United States a request Wednesday for more than \$3.5 billion in economic and military aid in the next fiscal year. That is approximately the same as the current level of aid.

Finance Minister Yitzhak Modai handed the request to the U.S. ambassador to Israel, Thomas R. Pickering, less than two hours before the arrival of a team of U.S. investigators to question Israeli officials implicated in the espionage case of Jonathan Jay Pollard, a former civilian intelligence analyst for the U.S. Navy.

The investigating team, headed by Abraham D. Sofaer, a State Department legal adviser, was to begin its inquiry Thursday and was expected to be in Israel five days. Mr. Pickering said the aid request would be considered sympathetically and would not be influenced by allegations of Israeli spying in Washington as long as cooperation in the investigation continued.

China Assails Tightening of U.S. Pact

BEIJING (UPI) — China on Wednesday attacked as "completely unacceptable" a U.S. Senate amendment that would tighten safeguards on American nuclear sales to China under a new cooperation pact.

Li Zhaoxing, spokesman for the Foreign Ministry, said the amendment constituted a unilateral infringement of the U.S.-China nuclear accord, which automatically went into effect Tuesday.

"The Chinese government has taken note of the U.S. Senate approval on Dec. 9 a draft that raised 'unreasonable demands' Mr. Li said, adding, "Any unilateral imposed additional provisions beyond the agreement are completely unacceptable."

Beijing Satisfied About Hong Kong

HONG KONG (AFP) — China's top official for Hong Kong said Wednesday that the British colony's economic and social condition had been "fairly good" and that Chinese-British cooperation had operated smoothly since Beijing and London signed a joint declaration on Hong Kong a year ago.

Ji Pengfei, director of China's Hong Kong and Macao Affairs Office, said at a banquet held in his honor that the satisfactory settlement of the Hong Kong question last December had ushered in a new period in Chinese-British relations.

Earlier, Mr. Ji attended a lunch given by the chief executive, Sir David Akers-Jones. He was quoted by Man Sai-cheung, spokesman of the Hong Kong Affairs Society, as saying that the colony should undergo "as little change as possible" in the run-up to its handover to Chinese sovereignty. Mr. Ji apparently was referring to local political reforms.

For the Record

Gerardine A. Ferraro, the 1984 Democratic vice presidential candidate, has decided not to run in 1986 for the U.S. Senate seat held by Alfonse D'Amato, a Republican, a New York state source said Wednesday. (AP)

The U.S. House voted to expand the toxic waste cleanup program to \$10 billion over the next five years and to put the major burden of financing it on the chemical and oil industries. The vote Tuesday to renew the program, known as the Superfund, was 391-33. (UPI)

A bomb exploded in a church in Assisi, Italy, that contains the tiny wooden chapel of St. Francis. The bombing early Wednesday followed the defusing of an explosive device found near the tomb of Italy's patron saint in another Assisi church. (Reuters)

President Francois Mitterrand of France welcomed representatives of French-speaking African nations Wednesday in Paris for three days of talks on the struggle against apartheid in South Africa, the conflict in Chad and economic problems. (Reuters)

The U.S. Senate rejected an amendment to a stopgap government funding bill that would have provided \$50 million in aid to rebels fighting the Marxist regime in Angola. The vote Tuesday was 58-39 on the amendment that was attached to a measure covering U.S. government expenditures until next Oct. 1. (AP)

Camorra Figure Leaves EC Body

STRASBOURG, France — Enzo Tortora, an Italian member of the European Parliament, has resigned, giving up his immunity from a 10-year prison sentence for drug and Mafia offenses in his home country.

Mr. Tortora, a member of Italy's Radical Party, has consistently proclaimed his innocence. He said after his resignation Tuesday that he intended to return home to begin the sentence but vowed to fight to clear his name.

A popular television personality until his arrest two years ago, Mr. Tortora was sentenced by a Naples court in September for drug trafficking and association with the Neapolitan Mafia, or Camorra. He was elected to the European Parliament in 1984.

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Iowa Farmer's Losing Struggle With Debt Ends in Killing Spree

By Andrew H. Malcolm
New York Times Service

HILLS, Iowa — When the radio news flashed across the snow-covered prairie Monday at the noon hour, it carried a bulletin that John Hughes, president of Hills Bank and Trust Co. had been shot and killed. One farmer just outside this town of 550 residents turned to his wife and said, "I wonder if it was Dale Burr."

It was. Mr. Burr, 63, a farmer whose financial troubles were about to claim his land, his machinery, his stored grains and his quarter horses, went on a killing rampage, shooting three people to death before committing suicide on a road near his home.

It was the latest in a series of violent outbursts across the American heartland that have left behind investigators, friends, neighbors and family attempting to reconstruct and understand.

In 1983, James Jenkins, a Minnesota farmer and his son, Steve, who had lost their land, cattle and credit rating, turned Rudolf H. Blythe Jr., the local bank president, and his officer to the abandoned farm and killed them both before Mr. Jenkins shot himself.

Last year an armed Nebraska farmer, Arthur Kirk, was shot and killed after holding police at bay for several hours.

In the last three years, thousands of farmers, dozens of banks and hundreds of rural businesses have failed. And, according to mental health counselors and rural advocates, numerous other potentially violent incidents are defused regularly by family, friends and mediators.

Monday's events began when Mr. Burr shot his wife, Emily, 40, as she apparently tried to prevent him from leaving home with his shotgun.

Then Mr. Burr left a note at home and drove into town. At 11:22 A.M., he walked in the back door of the modern bank on Main Street where his checking account was overdrawn.

He pulled the gun from inside his overalls and fired one blast at Mr. Hughes' head as the bank president, 46, looked up. Mr. Burr then pointed the gun at two other bank officers, Dale Kretschmer and Roger Reilly, who froze. But the farmer did not fire.

Mr. Burr drove east of town a few miles where a farmer saw him fire once into the air.

At 11:35 A.M., Mr. Burr entered the farmyard of Richard Goody, with whom he had had a minor land dispute. As Mr. Goody, 36, greeted the visitor near some hog-feeding pens, Mr. Burr shot him twice. He also fired at Mr. Goody's fleeing wife and six-year-old son, but missed.

Ten minutes later when David Henderson, a pursu-

ing sheriff's deputy, pulled Mr. Burr onto the shoulder of a road near his home, a muffled blast from within the pickup truck signaled the farmer's suicide.

"It's another tragedy," said Peter Zevenbergen, who runs several mental health programs near Hills. "It was bound to happen somewhere. And it'll happen again, too."

Dan Levitas of Prairiefire, a Des Moines group active in rural counseling and legal aid, said: "For many of these people, the hammer is coming down. They're shell shocked. Many keep it all inside. But now it's breaking out. I'm afraid this violence is the beginning of what is to come."

When such incidents erupt, along with a growing number of less publicized rural suicides, Mr. Levitas and others say they can almost predict from experience the characteristics: a farmer of any age above 35, a strong family man, devout churchgoer, well-liked by friends but quiet.

Typically the man, the son and grandson of farmers on the same land with family reputations for hard work, is not thought to be in financial trouble until after the incident.

Typically, the wife has confided the mounting financial and emotional pressures to close friends or family, who profess shock and offer support. Then,

shortly before the incident, the husband seems relieved about something.

Such was the case of Mr. Burr. The farmer was willing to chat, friends recalled, but only for a moment because he always seemed on the way to somewhere. The Burrs were members of Our Redeemer Lutheran Church in Iowa City, eight miles (13 kilometers) north of Hills, in eastern Iowa. Their main social activity was a card club.

Mr. Burr farmed around 600 acres (242 hectares) with his son, John, 39. Courthouse records show that while few thought Mr. Burr was in financial trouble, he had debts exceeding \$800,000, many of them due last Friday.

"You get so you don't know where to turn," said a bank customer who asked not to be identified. "And the banks push harder. And killing's wrong but every man has his breaking point."

Mr. Hughes was widely eulogized as a fine family man, active in many civic causes, a successful, aggressive businessman who had built the Hills bank into a profitable institution with more than \$200 million in assets, despite his town's small size.

State officials, who have closed 11 Iowa banks this year, compared to three in 1984, said the Hills bank was not in difficulty, largely because it has a small portfolio of agricultural loans.

House Votes Decisively in Favor of Bill Modifying U.S. Farm Credit System

Washington Post Service

WASHINGTON — The House of Representatives has voted overwhelmingly for a bill designed to reorganize the Farm Credit System and offer last-resort federal financial support to the country's largest agricultural lender.

The House passed the bill, 393-32, Tuesday after sponsors made last-minute changes sought by the Reagan administration. These require that any bailout money for the system must go through the regular congressional appropriations process.

The bill now goes to a conference committee to resolve differences between the House and Senate versions. The chief difference involves composition of a capital corporation board that would oversee re-allocation of the Farm Credit System's assets.

E. de la Garza, Democrat of Texas, who is chairman of the House Agriculture Committee, conceded

that the bill would not provide the direct aid sought by the Farm Credit System but said it would send an important message of congressional support to the bond market.

U.S. Jury Says Spy Gave Encoder Design to Soviet

By Ruth Marcus

Washington Post Service

WASHINGTON — A new indictment charges that Jerry A. Whitworth, a defendant in the Walker family spy case, passed to the Soviet Union technical manuals and design plans for the machines used to encode sensitive material that would enable Moscow to read secret U.S. Navy communications.

The indictment, issued Tuesday by a U.S. grand jury in San Francisco, is the fourth against Mr. Whitworth, 46, a retired navy communications specialist.

According to the indictment, he passed on the information as recently as June 1983, while he was senior chief radioman aboard the aircraft carrier Enterprise. While codes are changed daily, the coding machines themselves are not modified frequently.

U.S. Attorney Joseph P. Russo said the indictment was the "result of new evidence which was not previously available to the grand jury." A source familiar with the case said the new evidence was from John Anthony Walker Jr., who pleaded guilty to espionage Oct. 28 and was in San Francisco last week to testify before the grand jury.

The earlier indictments of Mr. Whitworth alleged that he gave Mr. Walker "key lists" and "key cards" that are changed daily and used with encryption machines to encode and decode sensitive messages. Tuesday's indictment indicates for the first time that the material allegedly passed by the Walker ring included details about electronic coding machines. This suggests that the Russians would have been able to build replicas of the machines.

The chief of naval operations, Admiral James D. Watkins, said in a briefing in June that the design of some secret communications gear "probably has been lost" to the Soviet Union. A top Pentagon official said at the time that the navy's worst-case scenario was that Moscow could have received manuals on the coding machines themselves.

The coding gear used by the navy is similar to that employed by the army, air force and marine corps, according to sources. The Defense Department announced in June that all the military services were

Philanthropist, Wife Robbed in Central Park

New York Times Service

NEW YORK — George T. Delacorte, 92, the philanthropist who has expressed his love for New York City with such gifts as the Delacorte Theater and a bronze Alice in Wonderland statue in Central Park, has been robbed in the park.

Mr. Delacorte said he and his wife, Valerie, 66, had been about to enter the tunnel leading to the Children's Zoo, when they were stopped Tuesday morning by two young men, one of whom had a knife.

Mr. Delacorte gave them \$200 from his wallet, and said they took his wife's mink coat, valued at \$5,500. Mr. Delacorte received a superficial stab wound on her hand.

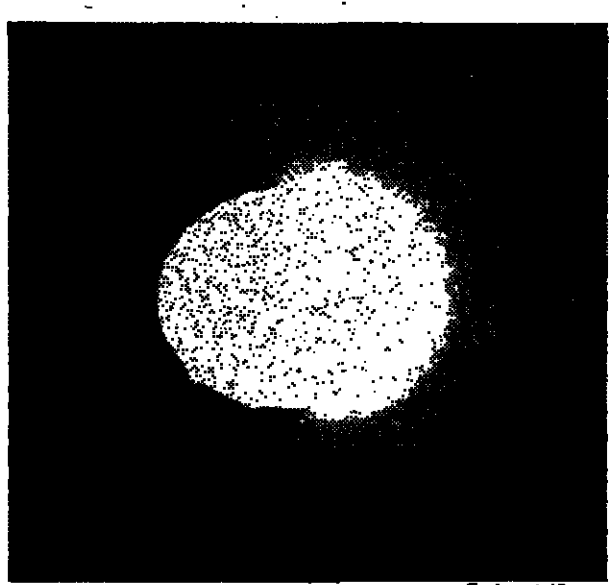
Mr. Delacorte has enjoyed boasting that he has never been the victim of a crime in the city where he grew up and raised his children. He still occasionally rides the subway.

"I have walked through the park every day for 60 years," said Mr. Delacorte, who made his fortune as the founder of Dell Publishing Co. The incident will not deter him from his regular walks, he said.

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FAR OUT SPACE SHOT — The outermost ring of the planet Uranus was clearly visible for the first time in photographs taken 44.9 million miles away by the U.S. space craft Voyager 2 and computer-enhanced by the Jet Propulsion Laboratory in Pasadena, California.

UNICEF Calls for New Marshall Plan to Aid Africa

The Associated Press

NAIROBI — A new version of the Marshall Plan is needed to prevent Africa from "sliding from one crisis to another," according to a report on African children by the United Nations Children's Fund.

The report, called "Within Human Reach: A Future For Africa's Children," was released Wednesday. It said that the flow of famine relief aid over the past year should be converted into increased, long-term financial support.

As with the original Marshall Plan, a program of U.S. aid to Western Europe after World War

II, aid should be provided to African countries according to their individual needs, the report said.

Without such finance, it said, "African countries will be forced into a position of staggering from one crisis to another, finding themselves less well equipped to meet new problems after new disasters."

In a foreword to the report, Cheikh Kane, Senegal's planning minister, said that under existing development programs "many Africans are being saved from death only to be thrust into permanent dependency."

He said austerity measures and

economic adjustments demanded by foreign lenders derive from an overriding preoccupation with international monetary concerns and are consequently unlikely to bring improvements to Africa.

According to statistics in the report, at least 25 percent of the 67 million children in sub-Saharan Africa are malnourished, and the region contains 15 of the 20 countries with the world's highest infant mortality rates.

The report listed six areas where programs should be focused, to meet basic human needs and encourage sustained development:

• Achieving self-reliance in food production.

• Expanding and improving basic services such as health care, water supply and education.

• Recognizing the role of women, who perform much of Africa's agricultural labor, and expanding programs to meet their needs.

• Protecting the environment, particularly in dry areas where the soil has been degraded.

• Promoting greater local responsibility for development.

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Guatemala's New Leader: Survivor With a Mission

New York Times Service

GUATEMALA CITY — Marco Vinicio Cerezo, of the Christian Democratic Party, who was the overwhelming victor this week in Guatemala's presidential election, carries the hopes of his countrymen as no leader has in more than three decades.

Mr. Cerezo, who will be 43 on Dec. 26, is a liberal with an independent mind in a country long dominated by rightist military officers.

In an environment of ruthless terror, he has not only survived but has built the most effective nationwide political organization the country has seen in years.

At least three attempts have been made to kill Mr. Cerezo, all during the government of General Fernando Romeo Lucas Garcia under whose rule death squads claimed thousands of lives.

In an attack in January 1980, Mr. Cerezo and his bodyguards fought a 10-minute gun battle with snipers who opened fire as he stepped from his party office. Two people were killed, one of them a pedestrian, and Mr. Cerezo later counted 37 bullet holes in the armored jeep behind which he took cover.

Another assassination attempt came when a large squad of uniformed policemen stormed a hotel where Mr. Cerezo was staying in central Guatemala City. The third was a bazooka assault against his father's home, where he was temporarily living. Mr. Cerezo esti-



Marco Vinicio Cerezo

mates he has lived in 25 different houses in the last five years.

After the first attempt on his life, Mr. Cerezo sent his wife and four children out of the country. They have lived on the outskirts of Washington since 1980.

Political terror during the Lucas government took the lives of the country's two leading civilian politicians, Alberto Fuentes Mohr, the former foreign minister, and Manuel Colom Argueta, a former mayor of the capital. Many Guatemalans believe that if either had lived Mr. Cerezo might not have reached the presidency.

Although he has been a leading activist in the Christian Democrati-

ic Party since his student days, Mr. Cerezo acknowledges that he is not bound by party orthodoxy. Diplomats and others place him in the party's left wing, and he says he was attracted to the Christian Democrats "in part because they don't have a rigid political doctrine."

As a former secretary of organization for the Christian Democrats, Mr. Cerezo has traveled widely in every region of Guatemala. Although five years ago he was barely known to the public, today he is the key figure in what inevitably will be a tortuous trek toward democracy.

Mr. Cerezo was born in the capital. His father, Marco Vinicio Cerezo Sierra, was a lawyer who went on to become a member of Guatemala's Supreme Court.

An uncle, Celso Cerezo, was the youngest member of Guatemala's first freely elected legislature in the 1940s, winning election at the age of 21. A grandfather was a political activist who was poisoned at the age of 36, apparently for opposing the dictator Jorge Ubico, and a great-grandfather was wounded while fighting to overthrow an earlier dictator, Manuel Estrada Cabrera, in 1921.

Guatemala lived through 10

years of democracy between 1944 and 1954, until a coup planned by American officials re-established military rule. At the time, the United States feared the leftward drift of the elected Guatemalan government.

Mr. Cerezo said that the coup, which took place when he was not yet 12 years old, was "a crucial moment in my life."

"I remember sitting in a tree watching the rebel planes fly over," he said. "I thought to myself that this was going to mean very bad times for our family and for Guatemala. That was when I decided it was the right thing to dedicate myself to the cause of democracy."

Mr. Cerezo began his rise to prominence while he was in law school at the University of San Carlos here. At one protest demonstration he attended, a law student, Raquel Blandon, burned a copy of a controversial electoral law in front of the national palace. As police moved in, Mr. Cerezo helped rescue her. They became friends and were married in 1965.

According to Mr. Cerezo's associates, his wife is a brilliant thinker, eclipsing Mr. Cerezo himself. Enemies say she is a leftist who strongly influences her husband.

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U.S. Probes Possible Payoffs to Filipino Officials

By Jeff Gerth
New York Times Service
WASHINGTON — A U.S. grand jury is investigating whether high-ranking Philippine officials may have received payments in connection with more than \$100 million in military contracts financed by the Pentagon, according to businessmen and Reagan administration officials.

The disclosure suggests that the diplomatically sensitive inquiry, which began as an audit of a \$6-million communications contract, has widened in recent months. The United States wanted to use the information in the case to persuade President Ferdinand E. Marcos not to reinstate General Fabian C. Ver as chief of the armed forces, but U.S. prosecutors declined to reveal details, citing grand jury secrecy rules, according to an administration official.

"It could be a hot potato when it materializes," said another official. "I have the sense that there are more names of Philippine officials involved in the case."

As described by U.S. officials and by businessmen in the United States and the Philippines, the case involves contracts awarded to American companies that retained Filipino agents close to the Marcos government to perform a variety of services.

According to the sources, the issues include these: Did the Philippine agents adequately perform their services? Did these arrangements comply with Pentagon regulations? Was any of the money paid to the agents shared with Philippine officials or their representatives?

Spokesmen for the American companies and the Philippine agents denied any wrongdoing, saying that they complied with applicable laws.

The Philippine government has also denied any wrongdoing and criticized the investigation.

Some in Congress said the investigation might affect debate on military aid to the Philippines, which is due to be completed this week. A

preliminary congressional report last week criticized as wasteful and militarily incompatible some of the contracts being examined by the grand jury, according to congressional sources.

The grand jury, based in Alexandria, Virginia, began its investigation last year, subpoenaing the records of Amworld, Inc., a California company that won a 1982 contract to set up a microwave communications system for the Philippine armed forces.

Subsequently, according to American officials and businessmen, the investigation looked at two other California companies linked to Amworld: Digital Contractors, which won a telephone switching contract in 1983, and Telecom Satellites of America, Inc., which was awarded a radio communications project in 1983.

A major focus in the investigation is possible fraud and whether the contracts complied with Pentagon regulations governing payments of fees for services on foreign military sales, the sources said.

A secondary focus, they added, is the Foreign Corrupt Practices Act, which prohibits payments by companies to foreign officials.

The three California companies, according to American officials and businessmen, are owned by a Hong Kong corporation, Golden Assets Ltd., which in turn is controlled by a Philippine businessman, Raymond Moreno.

An American businessman who has talked with investigators said in an interview that he had been told by Imelda R. Marcos, the president's wife, and by a presidential aide that if he wanted to do business with the Philippine military he would have to work with Mr. Moreno.

According to associates of Mr. Moreno, he has had business dealings with the Philippine military.

Mr. Moreno's lawyer, Thomas A. Wadden Jr., said that his client would not talk with a reporter. Mr. Wadden said that "my client, Mr. Moreno, is one of the subjects of a

U.S. grand jury investigation," but that he was "satisfied that a full and thorough investigation will result in a finding that Mr. Moreno has not violated any U.S. or Philippine civil or criminal statutes."

The contracts for the three California companies linked to Mr. Moreno totaled about \$30 million. The companies entered into a series of joint ventures and subcontracts with companies in the United States, Hong Kong and the Philippines to perform a variety of technical and administrative services.

The grand jury is trying to trace

what happened to the money for these arrangements, a process that involves sorting through more than 30 companies, 40 feet (12 meters) of documents and bank accounts all over the world.

The investigation includes transactions between Mr. Moreno and the Harris Corp., a communications equipment company based in Florida. Harris sold several million dollars worth of microwave equipment to Amworld and was awarded a contract to refurbish Philippine Navy boats using the services of another Moreno company, accord-

ing to American officials and Harris executives.

Another contract under review, according to officials and businessmen, is with Stromberg-Carlson, a Florida-based electronics company that also had an arrangement with Mr. Moreno.

The 1983 sale of \$63 million in helicopters to the Philippine armed forces by the Sikorsky Co. also is being investigated. Sikorsky retained a Philippine company, Detech, to provide administrative and marketing services, according to a Sikorsky spokesman.

Snakes, Devils Abide in Gbonwea

(Continued from Page 1)

fanatically secretive organizations that deal with devils, snake societies welcome outsiders.

October and November are prime times to catch snakes in the bush. In that two-month interlude between the rainy and the hot seasons, snakes get out, wiggle around, eat rodents and, occasionally, bite people. Snake societies have their best luck catching snakes at this time, and a Monrovia snake merchant, Charles Miller 3d, 35, a Yale graduate from Long Island, New York, with a degree in anthropology, has his best luck buying them.

Like most everything else of interest in Gbonwea, snake-catching and buying go on at night, after the sultry heat of the day has eased.

On a recent Saturday, with the snake merchant in town and the promise of his hard currency in the air, Gbonwea transformed itself in the passage from day to night.

In midafternoon, with flat white sunlight baking the hard-packed dirt yards between circular mud huts, most Gbonweans sat quietly in the shade, sweating. Little girls, bellies distended from worms, sucked their thumbs while their mothers and older sisters braided and picked lice out of each others' hair. Guinea fow and chickens leisurely pecked the dirt and each other. Goats, pigs and dogs slept, as did the village chief, who had a touch of malaria. In the surrounding bush, cicadas whined like high-voltage power lines.

But by midnight, however, the encircling bush was alive with fireflies and bird calls, and outside the hut where the snake merchant had set up shop, a hundred or so villagers gathered to clap hands. Two 12-year-old girls, with palm-leaf skirts, bells on their feet and faces white with chalk, undulated to the pounding of drums.

Beyond the kerosene lamp-lit circle of dancers, a score or so of snake-sellers stood quietly in the shadows. With writhing bags of reptiles at their feet, they waited their turn to bargain with the snake merchant.

While the people of the Gbonwea area are more than willing to make money off snakes, enthusiastically welcoming Mr. Miller and the skittish hangers-on he sometimes brings to the village, they maintain a reverence for the creatures, which are linked in the traditional religion to the powers of the devils in the bush.

A zo, a traditional holy man in the Liberian hinterlands, a man known both for his contact with devils and his air of unflappability, often is adept at handling snakes. Yoon Peter is Gbonwea's top zo. In his hut hangs a framed certi-

ficate from Liberia's local government ministry that states: "The holder of this certificate is fully and officially authorized to practice herbs as he has been properly tested and found to be qualified as such."

The zo makes his living treating snake, scorpion and spider bites, as well as by selling snakebite medicine. His medicine, the ingredients of which "cannot be exposed," is made from roots and herbs he gathers from the bush. Around midnight, "no nobody can see," he mixes up the medicine and stores it in deer horns, which he sells for the equivalent of \$15 each. For personal treatment, he charges \$75 for a snakebite, \$10 for a spider bite and \$5 for a scorpion bite.

A snake zo, he said, sometimes has to demonstrate in public the utility of his medicine. He said he occasionally allows a snake to bite him, rubs his medicine on the bite and does not get sick.

"You know, seeing is believing," he said, although he would not allow one of Mr. Miller's big cobras to bite him.

According to "Poisonous Snakes," a pamphlet written this year by Alex MacKay, head of the

herpetology department of the National Museum of Kenya, nothing neutralizes snake poison other than a serum derived from the blood of animals immunized against that specific poison.

Mr. MacKay acknowledges, however, that when the amount of poison injected into a snakebite victim is less than lethal, traditional cures, of the sort Yoon Peter sells, "can often do wonders" by calming victims.

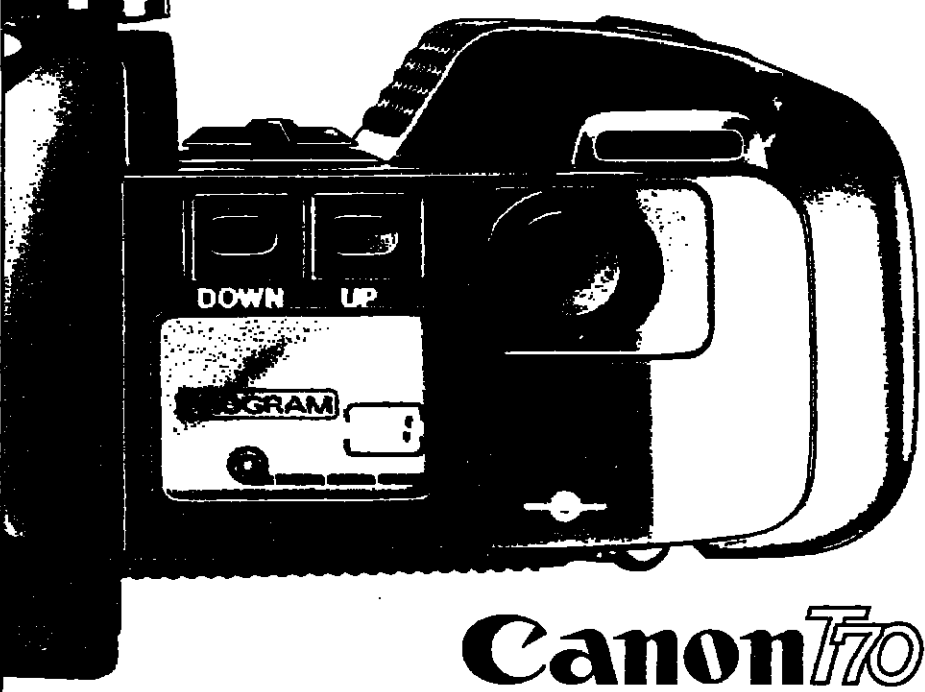
Mr. Menkua, the man who one day will be the chief of Gbonwea, is the best educated person in the village. He graduated from high school at the nearby Garplay mission. More than anyone else in the village, he talks of the need for electricity, for a medical clinic and for completion of the new school.

He sees no reason, however, to stop believing in the spiritual power of devils and snakes. Without a snake society, he said, he never would have been born.

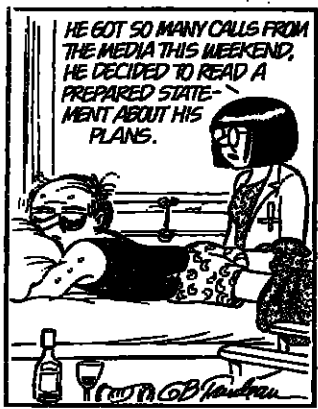
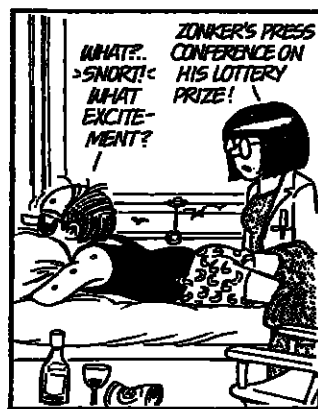
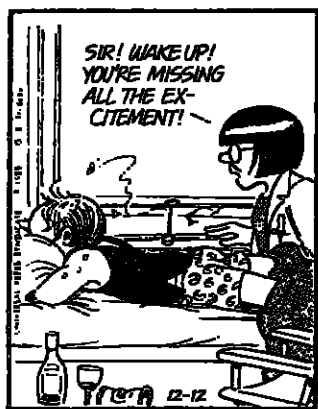
"I am a snake baby," he explained. "My parents could not conceive a child for many years. Then my father was advised by a snake zo to join a snake society here in Gbonwea. Before long, I was born."

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U.S. House-Senate Conference Panel Approves a Bill to Balance Budget

(Continued from Page 1)
publican minority was joined by 59 Democrats in rejecting procedures that the Democratic leadership had established for considering the two rival bills. This meant that the bill could not be brought up for a vote in the full chamber. Either of the bills would cut taxes for most Americans and make the most sweeping changes in the U.S. tax system in 71 years.

[The House Republican leader, Robert H. Michel of Illinois, said the vote was evidence of considerable discontent by members of both parties against parts of the tax plan written by the Democratic-led House Ways and Means Committee. The rival tax plan was written by Republicans.]

Mr. Reagan endorsed the balanced budget compromise after a heated discussion among his White House staff, according to White House officials.

His new national security adviser, John M. Poindexter, was said to have urged the president not to accept the compromise because it would cut military spending. But the chief of staff, Donald T. Regan, backed the compromise, and President Reagan sided with him, officials said.

On Capitol Hill, the House-Senate conference committee cleared the bill Tuesday by a voice vote and with little debate, abruptly ending weeks of protracted negotiations

over the details of the far-reaching and complex legislation.

The bill's impact would be immediate, requiring up to \$11.7 billion in cuts in the current budget by March 1. In the next budget, which Mr. Reagan will submit to Congress early next year, the deficit target would be \$144 billion, or about \$56 billion less than the deficit in the current fiscal year.

Among those likely to be the first to feel the effects of the legislation are civilian federal government and military retirees. In anticipation of the reduction on March 1, the bill calls for cost-of-living adjustments in their pensions to be deferred, beginning Jan. 1.

The final agreement that paved the way for the committee's approval of the bill was reached at 1 A.M. Tuesday by negotiators from among Senate Republican and House Democratic members of the conference committee.

The last-minute issues that temporarily stalled the bill centered on Mr. Reagan's insistence that he be given additional flexibility in imposing mandatory cuts on the military budget that would be triggered by the legislation. In the bill's final version, the president was granted authority to exempt from mandatory cuts those budget categories that set the size and pay of the uniformed military services. If he did this, however, deeper cuts in

other portions of the military budget would be required.

The House majority whip, Thomas S. Foley of Washington, one of the negotiators who created the final version, said the White House had sought "complete, across-the-board flexibility" in the military budget for the entire five-year life of the legislation. Instead, Mr. Reagan was granted only limited flexibility, and only for the current year.

The balanced-budget measure is an amendment to legislation that would raise the national debt ceiling to more than \$2 trillion. The deadline for its enactment was midnight Wednesday, when a temporary debt-ceiling extension passed by Congress last month expires. Failure to lift the debt-ceiling could lead to an unprecedented government default by the end of the week as the government, stripped of its authority to borrow, could not meet its obligations.

Shortly after the conference committee acted, the Senate, also by voice vote, passed a \$498 billion omnibus spending measure that is needed to fund government agencies for which Congress has not passed regular appropriations bills. The so-called continuing resolution, which must be enacted by midnight Thursday when current stopgap spending authority expires, now goes to a conference committee to reconcile differences with a House-passed version.



Mr. Marcos, left, his running mate, Arturo M. Tolentino.

Opposition Leaders Unite To Run Against Marcos

(Continued from Page 1)

to convince her supporters in the party founded by her late husband, the Laban ng Bayan, or People's Struggle, to renounce their demand to form a coalition with UNIDO.

Mr. Fernan said: "I think tonight Cory finally told them, 'Look, this is my ball game. Will you please allow me to decide?'"

After their talks with Cardinal Sin, their decisive meeting Wednesday evening came in the home of Aurora Aquino, mother of the late opposition leader. Two of Mr. Laurel's brothers were present and the elder Mrs. Aquino was said to have played a persuasive role.

They planned what Mr. Laurel called "the first salvo" Thursday with a rally in his home town of Batangas.

Mr. Marcos fired his first salvo at his nominating convention, accusing the opposition of being "fraudulent would-be leaders" who backed terrorism and Communism.

Noting that his party controls two-thirds of the national assembly, Mr. Marcos said it would be impossible for an opposition president to pass legislation or to elect a prime minister.

"Are they not in fact doomed to impotence, even if by accident they should win?" he said.

"Perhaps this is why they persist in inviting foreign interference in our affairs, in heaping scorn on our people and our country, and in spreading confusion, deceit and lies among us," he said.

Mr. Tolentino, 75, said he had not changed the maverick views that led Mr. Marcos to dismiss him as foreign minister in March. But, he said, he would refrain from criticism and campaign all-out.

His vote-drawing power in Manila is expected to help counteract the opposition's heavy advantage in the city.

Shultz Hopeful About Negotiations With Spain, Turkey on U.S. Bases

BRUSSELS — Secretary of State George P. Shultz, who arrived Wednesday in Brussels for a meeting of foreign ministers of the North Atlantic Treaty Organization, said the United States hoped negotiations on the future of U.S. bases in Turkey and Spain would succeed.

The United States agreed Tuesday to open negotiations on a reduction in its military presence in Spain. The move was aimed at helping the Madrid government win a difficult referendum next March on staying in NATO, which Spain joined in 1982.

Turkey, at loggerheads with Greece, its NATO ally, is eager to keep U.S. bases on its soil and expand facilities for NATO but wants more American military aid and greater access to the American market in return.

Mr. Shultz praised Spain's Socialist prime minister, Felipe Gonzalez, for his determination to keep his country in the Atlantic Alliance and said, "We expect a positive NATO decision" from Spanish voters.

He said talks on "restructuring" the 12,000 U.S. troops in Spain could begin only after the referendum, since the outcome of the vote would have an important bearing on the future level of the American presence. The United States has a naval base and three air bases in Spain.

Mr. Shultz stressed that Washington's willingness to hold such negotiations, which it had previously eschewed, was "intended to be a positive development in the NATO referendum."

Opinion polls have indicated that a majority of Spaniards oppose membership of the alliance.

Mr. Gonzalez said at a Brussels news conference Tuesday that his government, while not bound by the referendum, would be morally obliged to take note of its outcome.

On Turkey, Mr. Shultz said the scope for increasing annual aid of \$785 million was tightly constrained by the U.S. budget deficit. But he said Washington was interested in Ankara's proposals for freer market access.

"They've made some very interesting economic changes," Mr. Shultz said. "We'd like to respond to that in the trade field."

The United States has the use of several Turkish air and naval bases and has listening stations on the Black Sea coast that monitor Soviet military activities.

U.S. Hopes for Accord
John M. Goshko of The Washington Post reported from Brussels:

A senior U.S. official said Wednesday that while the Soviet Union's position "isn't clear," the United States has "the impression and the hope" that Moscow will be ready to seek a speedy agreement on reducing medium-range nuclear missiles in Europe when the Geneva arms control talks resume next month.

H. Allen Holmes, director of the State Department's office of politico-military affairs, gave that assessment after a meeting of the NATO Special Consultative Group.

The consultative session, which preceded the winter meeting of

NATO (foreign ministers beginning here Thursday, endorsed the new proposal proposed by the United States in Geneva on Nov. 1 for reduction of intermediate-range.

That is one of the three weapons categories, along with intercontinental nuclear missiles and space-based weaponry, under discussion in Geneva.

An agreement on intermediate weapons, Soviet SS-20 missiles in Eastern Europe and U.S. Pershing 2 and cruise missiles being deployed in Western Europe, is of particular interest to the NATO allies.

Soviet, Pretoria Cited In Reagan Rights Report

(Continued from Page 1)

his state of health. We find particularly odious the Soviet practice of filming Dr. Sakharov and his wife, Mrs. Bonner, without their knowledge, during medical examinations."

A new element of the president's human rights speech this year was his denunciation of the "rampant religious persecution" in Iran of members of the Baha'i faith, a religion which stresses universal brotherhood. Mr. Reagan said that the government of Iran had killed 198 Baha'is, imprisoned 767 and forced 35,000 others to flee their homes or their country.

The president also said that the Communist rulers of Vietnam have launched vicious attacks upon Cambodian refugees.

In Ethiopia, a Marxist government has used famine to punish large segments of its own population, Mr. Reagan said. He also criticized Cuba and the Sandinist government in Nicaragua.

On three continents we see brave men and women risking their lives in anti-Communist battles for freedom," Mr. Reagan said.

Mr. Reagan described South African apartheid as "abhorrent" and said that in Chile and the Philippines, the United States has shown concern about deviations from democratic traditions.

"Governments that must answer to their peoples do not launch wars of aggression," Mr. Reagan said. "That's why the American people cannot close their eyes to abuses of human rights and injustice, whether they occur among friend or adversary or even on our own shores."

8 Held After Moscow Protest

At least eight persons were arrested Tuesday in Pushkin Square in Moscow when a crowd of about 100 gathered to mark Human Rights Day. The Washington Post reported from Moscow.

U.S. Business Group Assails Pretoria

The Associated Press

JOHANNESBURG — The American Chamber of Commerce of South Africa Wednesday called for major reforms recognizing black rights, and accused the police of contributing to the persistent riots that have killed hundreds of people in the past 15 months.

Meanwhile, the police said they found the charred body of a black man in Kwanobuhle near Port Elizabeth, apparently killed, by other blacks under suspicion of collaborating with the white government. Black militants were quoted as saying there should be no public festivities this Christmas because of the ongoing struggle against apartheid.

The Chamber of Commerce organization, a branch of the U.S. Chamber of Commerce, demanded an end to the state of emergency imposed July 21, under which people can be detained without charges or access to lawyers; creation of a single education system for all races; an end to laws keeping blacks out of white areas; and "meaningful participation of blacks in government through development of a recognized mechanism of dialogue."

TRAVELLERS REASSURED 'WATER IN BOMBAY SAFE TO DRINK'

Based on his long and intimate acquaintance with Bombay our foreign correspondent writes:

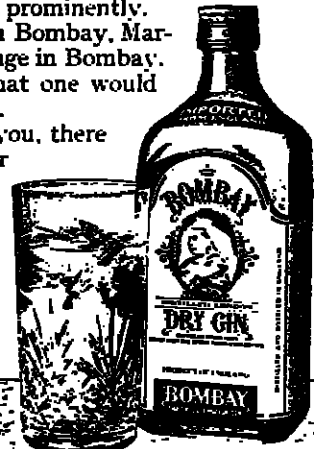
"Of all the things that people drink in Bombay, water has never figured prominently.

Most prefer Tonic in Bombay, Martini in Bombay or Orange in Bombay.

Indeed, anything that one would usually mix in Bombay.

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Those rumours which infer that water does not mix with this most distinctive of imported London Dry Gins are well and truly ill-founded."



European Parliamentarians Debate EC Treaty Changes

STRASBOURG, France — The European Parliament debated Wednesday whether to approve modest reforms of the European Community's founding treaty.

In the debate, speakers for all major political groups expressed varying degrees of doubt about the reforms that were reached last week at the EC summit meeting in Luxembourg.

The parliament, which normally has only a consultative role on EC affairs, has been given effective veto power by Italy, its main EC supporter. Italy has declared that it would block the reforms if the European Parliament rejected them.

Denmark also has refused to endorse the changes pending parliamentary approval in Copenhagen. The amendments to the 1957 Treaty of Rome under which the

community was founded would restrict the veto powers enjoyed by member states, giving the European Parliament a slightly increased role, and would set a legal framework for reducing internal trade barriers and increasing cooperation in foreign and monetary policy.

In Copenhagen, senior government and parliamentary sources said that the Danish government would demand time for more public discussion of the proposals.

The Danish legislature passed a resolution Wednesday upholding the veto right and reiterating opposition to greater power for the European Parliament.

Community diplomats said earlier that the Danes might be hoping the Strasbourg assembly would reject the summit agreement and save Denmark from being blamed for its failure.

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SCIENCE

IN BRIEF

Ski-Safety Principles Take a Tumble

MAASTRICHT, Netherlands (AP) — Nondrinking skiers appear to be 50 percent more likely to have a mishap on the slopes and 30 percent more likely to get hurt than those who had up to five alcoholic drinks a day, two Dutch epidemiologists say, upsetting conventional wisdom about safe skiing.

Surveying 1,088 Dutch skiers after holidays last winter, Lex Bouter and Paul Knappeveldt of the University of Limburg in Maastricht also found that the less sleep a skier got, the less accident-prone he was the next day, and that neither physical conditioning nor professional equipment care reduced the likelihood of injury.

Mr. Bouter said a night before binge might make a skier more cautious; he noted that skiers who expressed no fear of being injured were twice as likely to have accidents. The study also found that skiers with university educations were 20 percent less likely to be injured, and that skiers wearing outfits that cost more than 500 guilders (\$175) were more accident-prone.

Next Meteorite Assault in A. D. 2134

LONDON (NYT) — A meteorite may not one of the major hazards of modern life, but a person can be struck by one, and scientists at Herzberg Institute of Astrophysics in Ottawa have calculated the magnitude of the risk.

After studying meteorite falls with a network of 60 cameras in western Canada for nine years, T. Halliday, A. T. Blackwell and A. A. Griffin said in a letter to the British journal *Nature* that one human should be hit in North America every 180 years. Worldwide, they said, one could expect a human to be struck by a meteorite once in every nine years.

The factors they based their calculations on included the number of meteorite falls of size large enough to be detected, the number of humans in Canada and the United States and the average human size. They noted that one such case occurred 31 years ago, in Alabama. It is believed to be the only well-documented case of a meteorite striking a human.

Soviet 'Monster' Is Only a Whirlpool

MOSCOW (UPI) — Soviet scientists say they have unmasked a Central Asian version of the Loch Ness monster. What witnesses thought was a "dinosaur" turned out to be whirlpools, Tass reports.

The news agency said an expedition was sent from the Institute of Evolutionary Morphology and Ecology of the Academy of Sciences to Kok-tol Lake in the republic of Kazakhstan after repeated reports that "a twisty body about 20 meters long emerges above lake surface," producing "loud trumpet-like sounds."

The explanation turned out to be a product of the region's geological history. The lake, Tass said, is on glacial sediments and connected with underground cavities by mud-covered cracks. "When the mud is washed away and water rushes down, large whirlpools appear on the water surface. If air is sucked in as well, the lake starts singing."

Laser Treatment Reduces Vision Loss

WASHINGTON (AP) — A laser treatment that stops leakage in the retina can reduce by half a type of vision loss that afflicts many diabetics, according to a study published in the *American Medical Association's Archives of Ophthalmology* journal.

Dr. Morton F. Goldberg, editor of the journal, said the study represented "a type of advance that is only reported every five or ten years in ophthalmology." Eye specialists recommended that diabetics have annual eye examinations to see if they need the treatment.

A previous study showed that intense lasers could heat and seal severe bleeding vessels in the eyes. The new study, sponsored by the National Eye Institute and involving 23 medical centers, showed that similar treatment could help a less severe problem called macular edema. The macula is the part of the retina responsible for the kind of fine, head-on vision used in reading, driving and recognizing faces.

Kinsey Subjects to Be Polled Again

INDIANAPOLIS (UPI) — The Kinsey Institute at the University of Indiana in Bloomington will seek federal funding to re-interview thousands of the people polled in the 1940s by the zoologist Alfred C. Kinsey, one of the pioneers of sex research. Some of the participants would now be in their 90s.

"We'd like to interview a minimum of 2,000 and a maximum of 4,000" of the original participants, said the institute's director, June M. Remisch. She said the researchers also hoped to learn about the accuracy of memory in the 41-million, three-to-four-year study, which would not begin before next December.

Dr. Kinsey questioned more than 18,000 people on their sexual activities. His "Sexual Behavior in the Human Male" was published in 1948 and "Sexual Behavior in the Human Female" appeared in 1953.

Prize for Finding Weed-Eating Beetle

PARIS (Reuters) — An Australian research foundation has won a \$15,000 prize from the United Nations Educational, Scientific and Cultural Organization for discovering a beetle that clears clogged waterways by devouring huge quantities of weeds.

UNESCO said the work by the Commonwealth Scientific and Industrial Research Organization of Australia should allow tropical countries to clear irrigation channels and paddies choked by the weed *salvinia*. Scientists from the group discovered in Papua New Guinea that a previously unidentified predator beetle could eat through tons of the thick, matted weeds.

Australian Fossil Jaw May Alter View of Mammal Evolution

By John Noble Wilford
New York Times Service

A discovery that could change thinking about early mammal evolution, scientists have found the fossil jaw of an animal resembling a platypus that lived 110 million years ago in Australia. The specimen represents the oldest known mammal of the monotreme subclass. It is about 85 million years older than any previous fossil mammals found in Australia.

Analysis of the jaw and teeth has

led some paleontologists to conclude that monotremes, the only egg-laying mammals, are more closely related to other mammals than had been generally assumed. The other two groups of living mammals are marsupials, distinguished by the pouch in which they carry and nurse their young, and placentals, which carry their young longer in the uterus and thus give birth to better-developed offspring. The discovery also provided further evidence that, contrary to con-

(Continued from Page 1)

ventional wisdom, mammals did not emerge exclusively in the Northern Hemisphere and then disperse worldwide. Only in recent years have paleontologists begun finding early fossil mammals in the Southern Hemisphere.

The animal that the jaw belonged to may have been one of the largest mammals living in the Mesozoic era, the time when dinosaurs and other reptiles were dominant and mammals had yet to come into their own as large and more diverse

creatures. Judging by the size of the jaw, the animal might have been as large as a badger.

The fossil, uncovered in the opal-bearing sediments at Lightning Ridge in New South Wales, was described in the journal *Nature*.

The scientists who made the report are Michael Archer of the University of New South Wales, Timothy F. Flannery and Alex Ritchie of the Australian Museum in Sydney and R. E. Molnar of Queensland Museum in Fortitude Valley.

The authors said the Lightning Ridge monotreme, which they named *Steropodon galmani*, provided "the strongest support" for the hypothesis that monotremes were a branch off the main stem of mammalian evolution rather than developing independently from a common ancestor of mammals more than 220 million years ago. The branching might have occurred as recently as 150 million years ago.

This conclusion was based on certain similarities with other mainline mammals in the jaw of the monotreme. Little was known of the origins and evolution of monotremes because previously there

had been no fossils more than 25 million years old. The only surviving monotremes are the duckbilled platypus and the echidna, or spiny anteater, both of which live in Australia.

Commenting on the report, William A. Clemens, professor of paleontology at the University of California at Berkeley, said, "The discovery, plus work done recently in southern India and South America, is really causing us to completely rethink our interpretations of mammalian evolution during the Mesozoic."

Of the 23 new cases of Kaposi's that Dr. Bayley diagnosed this year, 13 showed unusual symptoms: loss of as much as one-third of body weight, difficulty breathing, generalized swollen lymph nodes and lesions on unusual places, such as the mouth, face and thighs. Most were younger than the patients she had treated for endemic Kaposi's.

In the new form, lesions tend to develop on the face, sometimes on the tip of the nose, more often than in the classic form. Patches have also been detected behind the ears and on the arms and trunk. Sometimes the lesions grow in the lungs and lead to an accumulation of fluid that can cause breathing diffi-

culties. Occasionally they are fainter and flatter than the nodules in the classic form, and may be so subtle as to be overlooked unless a physician diligently searches the body each day.

Even then, Dr. Bayley said, there are cases where no patches appear. Experts can have difficulty diagnosing Kaposi's sarcoma without a pathologist's examination of a piece of skin through a microscope. One reason is that the blood-containing lesions of Kaposi's sarcoma can mimic reactions to insect bites, injuries, and other conditions, such as syphilis. Even a pathologist may miss them.

In 1984, Dr. Bayley saw 37 new Kaposi's patients; 22 of them had the aggressive form of the disease. "About halfway through the year it suddenly struck me that I was talking to these patients in English, that they were better educated and that they came from a better socioeconomic status," she said. In the past, Kaposi's sarcoma tended to afflict laborers, subsistence farmers and other members of the lower socio-economic classes, to whom she spoke in Nyanja, she said.

There were other mysteries. For several months, she could not find evidence of thrush, which is caused by a fungus, or other so-called opportunistic infections often associated with patients with Kaposi's sarcoma. Then in about December 1983 she started seeing these infections, particularly thrush and shingles.

This year, the number of patients with Kaposi's sarcoma and the number of patients with AIDS continued to increase, and the symptom that usually brings a patient to Dr. Bayley's clinic now is lymph node swelling on both sides of the body.

From the data she has collected through questions asked of each



Dr. Bayley, colleague examine chest X-rays.

times they occur as isolated spots, enlarged to protrude in a spherical shape. Other times they form groups and remain flatter. Often the first symptom has been a swelling of the feet and legs, followed by the appearance of purple, red or brownish nodules in the same area. In time, the feet and hands become deformed from the thickening of the affected areas of skin. The lesions also can form on the scalp, in the mouth, larynx, stomach and intestines, or, less commonly, the eyes. Sometimes the nodules disappear only to return after months or years. Then they grow and can ulcerate and become infected.

Dr. Kaposi reported that, until death occurred, the most persistent symptom for which his patients required treatment was "the feeling of tension and pain in the hands and feet." Some people also describe burning and itching. From the beginning, physicians had noted that this sarcoma differed from most cancers in that it seemed to originate in several areas in the body. Most cancers were thought to arise from one site, a single malignant cell.

As the years passed doctors came to regard Kaposi's sarcoma as one of the mildest forms of cancer, one that someone could live with for years, even decades, without the malignancy being more than a cosmetic nuisance. But Dr. Kaposi wrote that "the disease is rapidly lethal, within two or three years."

For years, doctors were perplexed as to why, particularly in Africa, some young children developed an usually virulent form of the disease. It was marked by the swelling of lymph nodes and by a paucity of the cancerous skin patches. Often this form of the disease was so subtle that pediatricians did not recognize it.

Generally forgotten today is Dr. Kaposi's description of an 8- to 10-year-old boy from Zurich who died within a year of developing skin lesions. Dr. Kaposi suspected the child was afflicted with Kaposi's sarcoma.

Several experts on this cancer who were interviewed were astonished to learn of Dr. Kaposi's original descriptions of the rapid course of the disease and of his mention of the child as a victim. Dr. Bayley, at University Teaching Hospital, said that for most of the early part of her stay in Zambia she had seen 8 to 12 cases a year of classic Kaposi's, or the endemic form, as it also has been known in Africa, without detecting any change in frequency or manifesta-

tions of the disease. In perhaps 10 to 20 percent of the total, Kaposi's sarcoma killed aggressively and rapidly. In addition, in some individuals skin lesions that had not changed for years suddenly grew worse.

In 1982, when Dr. Bayley read the first reports of untreatable Kaposi's sarcoma in AIDS patients in the United States, she was startled. The reports did not make sense, she told herself: "This isn't the Kaposi's sarcoma I see in Lusaka. Don't the Americans know how to treat it? I can get rid of Kaposi's. They must be using the wrong drugs."

Then, she said, "things changed dramatically in 1983." Early that year, a physician from another hospital referred a man to her who had lost a considerable amount of weight; he needed a biopsy of a swollen lymph gland. When Dr. Bayley examined him, she said, she noted no skin lesions. But she was startled to learn from the pathologist's report that the patient's lymph node showed evidence of Kaposi's sarcoma.

Dr. Bayley re-examined the patient. This time she found a purple spot in his mouth. To add to her surprise, the man failed to respond to chemotherapy. About the same time, she realized she had nine patients with Kaposi's sarcoma under her care, an unusually high number.

By the end of 1983, when Dr. Bayley presented a scientific paper at a meeting of surgeons in Kampala, Uganda, she said she realized what she was seeing in Lusaka was similar to what doctors were describing among AIDS patients in New York and California except that the American version seemed limited to homosexual men. Heterosexual men and women were getting this cancer in Africa, she said, though women seemed to get it much less often and sometimes less severely.

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From the data she has collected through questions asked of each

patient, she said most seem to have acquired the disease through heterosexual intercourse. Many patients have been promiscuous by Western standards.

Cases of what appear to have been Kaposi's sarcoma in Africa were described at least as far back as 1914. Interest in the disease was renewed in Africa after World War II when doctors recognized an unusually large number of cases among Bantus in South Africa. Then doctors learned that the disease was also common among other tribes.

Scientific reports gave widely varying figures for the proportion of Kaposi's sarcoma among cancers in Africa, ranging from 12.8 percent in Zaire to 2.9 percent in Kenya. In the same years it was reported as less than 0.1 percent of all cancers in the United States.

Dr. Robert Gallo, a leading researcher on AIDS at the National Cancer Institute in Bethesda, Maryland, said that although epidemiological studies had linked the AIDS virus and Kaposi's sarcoma as well as other cancers that often afflict AIDS victims, the AIDS virus "does not directly cause Kaposi's sarcoma" or the other cancers.

According to John Cook, a surgeon who worked in Africa before moving to Edinburgh and who wrote a thesis on Kaposi's sarcoma, many years ago some scientists in Africa suspected that Kaposi's sarcoma was caused by an infectious agent. But scientists could not correlate African Kaposi's sarcoma with geographical, ethnic or environmental factors.

The theory of the infectious agent was pursued in part because another cancer, Burkitt's lymphoma, was found to be common in areas of Africa where Kaposi's sarcoma occurs frequently. More recently when researchers linked the Epstein-Barr virus with Burkitt's lymphoma, they explored the relationship of the Epstein-Barr virus and Burkitt's lymphoma with Kaposi's sarcoma. No links were found.

Dr. Paul L. Gigase of the Institute of Tropical Medicine in Belgium, who has studied Kaposi's sarcoma in Africa, reported last month at a meeting in Brussels on AIDS that he had found, contrary to reports in medical journals, that the geographic distribution of Kaposi's sarcoma in Africa is quite different from the distribution of Burkitt's lymphoma.

Another unexplained development in Kaposi's sarcoma, one not associated particularly with any geographic region, came about in 1969 as kidney transplant surgery began to become standard. Doctors recognized an unusual number of Kaposi's sarcoma cases among transplant recipients who also received large doses of drugs designed to suppress their immune systems so as to allow them to keep the donated kidney. Kaposi's tends to develop about 16 months after an organ transplant. In some cases, just one lesion may form. In others, the tumors may disappear with a reduction of the dosage of the immunosuppressive drugs.

Though Kaposi's sarcoma can behave in various ways clinically and epidemiologically, one interesting fact, according to Dr. A. Bernard Ackerman of New York University Medical School, is that pathologists cannot distinguish between specimens taken from all the forms of Kaposi's sarcoma. In other words, a pathologist cannot look through a microscope and tell one form from another.



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The discreet charm of a fur lining

Buying a raincoat with a fur lining is not a crazy extravagance... it in fact makes good sense. You have a garment that is practical and stands up to wear, is as warm as an overcoat and above all discreetly conceals that most comfortable of luxuries: the fact that you are wearing fur.

Alongside these raincoats Lanvin is at present showing a collection of clothes of exceptional quality in various kinds of hide. They include a completely reversible blouson, one side in lambskin and the other in cashmere, with a beaver collar; and a sumptuous coat in calfskin lined with squirrel fur, with a mink collar.

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THURSDAY, DECEMBER 12, 1985

WALL STREET WATCH

Growth in Money Supply Is Driving Market's Rally

By EDWARD ROHRBACH

PARIS — With the market performing its high-wire act at 1,500 on the Dow industrial average, a lot of investors are worried that stocks are working without a net. That is, there's no visible support from the U.S. economy to justify Wall Street's daring. But according to Edward S. Hyman, chief economist at Cynus J. Lawrence, the sluggish economy is the very reason why the stock market is a three-ring circus.

"Wall Street's booming because liquidity is building, and liquidity is building because the money supply is growing faster than the nominal gross national product," he said. "That's one definition of a bull market."

So, with surplus funds generated that otherwise would be going into goods and services if business were expanding fast enough to absorb them, Wall Street has become the recipient, he explained.

Hyman thinks that stocks will rise more as the economy weakens.

Contrary to the widespread view that the Federal Reserve has been pumping money steadily into the system, he thinks that, "If anything, the Fed has been tightening" in 1985. "Therefore, it's been an unprecedented stock market — before Wall Street could only tolerate a bad economy when the Fed was easing."

What stocks will do when the Federal Reserve actually does act to stimulate the economy, which he said will be reflected in the wider M-2 category of money supply rather than M-1, could be "spine-tlingling."

But it's his hunch that the yield on Treasury bills, now about 7 percent, will surpass the discount rate, now a half point higher, by next spring. With that development, he would no longer be bullish on stocks.

M. R. HYMAN, perennially voted Wall Street's top economist in the annual poll taken by Institutional Investor magazine, said the market's most recent surge is the result of three converging factors. First is the increased likelihood that a federal deficit-reduction plan will pass; second is progress on tax reform, and third is the big crack in oil prices.

"The first two are symbolic of a more conservative, responsible economic policy, while the third will lower inflation," he said. "Plus, they all give the Fed room to stimulate the economy."

Mr. Hyman believes that economic growth will remain sluggish until the Fed cuts the discount rate, probably in the next two or three months, and "keeps cutting until it produces an upturn somewhere, probably in housing." He warns that there could be a down quarter for GNP in the first half of next year, but sees the economy picking up to a 5 percent or 6-percent growth rate in 1986's second half.

However, he forecast that the economy will again slow in 1987 while 1988 will show improvement to coincide with the presidential election that fall.

Other major economies around the world share this protracted bout of sluggishness with the U.S., he pointed out. "Japan's economy is fading, parts of the Pacific basin are in recession and in Europe, Germany looks like the only economy with steam in it," he said.

Mr. Hyman remains bullish on bonds, arguing that, "They look as cheap now as they did in 1981." He also predicted that the dollar a year from now will be at about its present level. Short term, however, he thinks it might decline as U.S. interest rates descend, then when the economy picks up and rates rise, the dollar should, too.

James Moltz, president and chief investment officer at C.J. Lawrence, noted that if Wall Street avoids a significant decline in (Continued on Page 11, Col. 1)

Japanese May Balk On Routes

Pan Am-United Sale at Issue

United Press International

TOKYO — Japan's Transport Ministry is threatening to block United Airlines from operating the Pacific routes of Pan American World Airways that it has agreed to buy, officials said Wednesday. The dispute is apparently over the sharing of U.S.-Japan air routes.

United wants to start flying the Pan American routes Jan. 28 but could be forced to delay unless it gets quick government approval, a United spokesman said.

United agreed earlier this year to buy routes to 10 Asian cities from Pan Am for \$715 million. All the routes are linked through Tokyo.

Hajime Hatano, a spokesman for the Transport Ministry's international airline division, said the ministry considered United a "new airline," despite Pan Am's existing route rights. The ministry, he said, wants to negotiate route approvals with U.S. officials.

A spokesman for United in Tokyo said the airline believed that because Pan Am has "certain rights already" the takeover "should not call for these talks."

Elizabeth Hanford Dole, the U.S. transportation secretary, approved the Pan Am sale last month. United applied Monday to the Transport Ministry to operate the 56 flights a week that are in question. The Japanese government has not yet taken a position.

Transport Ministry sources said the potential roadblock reflected dissatisfaction with what the Japanese call is inequality in the U.S.-Japan aviation relationship. The two nations have been trying to overhaul their aviation accords for several years.

Five U.S. airlines serve Pacific routes through Tokyo. United already flies from Seattle to Tokyo and Hong Kong, but does not have inter-Asian service.

Until Nippon Cargo Airways was granted U.S. routes this year, only Japan Air Lines operated in the United States.

JAL has been the only Japanese airline allowed to fly international passenger routes. But officials are moving to dispose of the government's 34.5-percent holding in JAL, and next week will move to allow Toa Domestic Airlines and All Nippon Airways to seek foreign routes. Both have expressed interest in U.S. destinations.

Fiat, Soviet Discussing Engine Plant

The Associated Press

TURIN — Fiat SpA said Wednesday that it had begun negotiating with Soviet authorities to build a factory to make automobile engines in the Soviet Union.

It would be the Italian company's second major venture in the Soviet Union, where 20 years ago it built the Soviet Union's largest automobile factory.

Fiat officials did not immediately give details about the size of the proposed plant or value of the contract, but industrial sources in Turin, Fiat's headquarters, said that it could be valued at more than \$1 billion.

Stock-market analysts in Milan said that the reports of the talks helped send Fiat shares to a record on the Milan Stock Exchange. Fiat common stock closed at 5,465 lire (\$3.16) Wednesday, up from 5,320 Tuesday.

Carroll Fre, a Fiat spokesman, said that there were positive prospects for a final agreement but that he could not elaborate.

"I can say talks are about building a factory for making a still unspecified number of car engines under Fiat's license and know-how," Mr. Fre said.

In 1965 Fiat built a factory in Togliatti, on the Volga River, to turn out 600,000 cars a year.

Fiat, which is controlled by the Agnelli family, recently had negotiated with Ford Europe, the London-based subsidiary of Ford Motor Co. of the United States, for a joint venture that would have formed the largest European auto group.

Negotiations collapsed, reportedly because neither side was willing to give up leadership in the joint venture.

Fiat shares have also been strengthened this week by a rumor that Ford Motor Co. was negotiating a takeover of the 13.5-percent Fiat stake held by the Libyan Arab Foreign Investment Bank.

Gold

Dec. 11

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| Hong Kong | 216.10 | 216.85 | +0.65 |
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| Paris (12.50) | 217.80 | 217.80 | — |
| Switzerland | 217.80 | 217.80 | — |
| London | 216.80 | 216.80 | — |
| New York | 216.80 | 216.80 | — |

Belt-Tightening at a Leaner Inco

Productivity Doubles Amid Drastic Job Cuts

By Douglas Martin

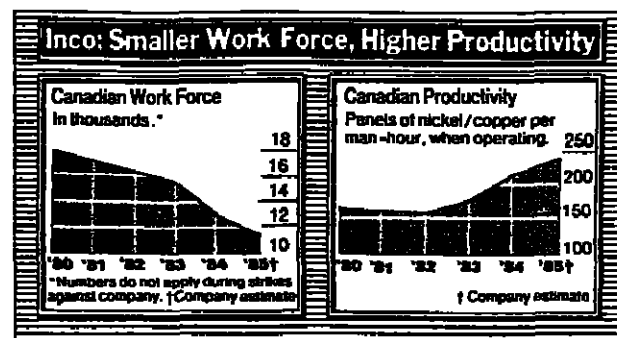
New York Times Service

SUDBURY, Ontario — In its heyday three decades ago, Inco Ltd. produced 85 percent of the world's supply of nickel, setting the price almost as a matter of divine right.

But in recent years, Inco — along with the other big mineral companies in the United States and Canada — has been staggered by stiff new foreign competition, largely from Third World producers. The world's nickel capacity surged just as demand turned sluggish, driving prices downward since 1980. Tin and copper have plummeted as well, and the precious metals — gold, silver and platinum — also are far below their highs.

For Inco, the harsh new environment translated into \$1 billion in total losses from 1981 through most of 1984. But since the fourth quarter of last year, the Toronto-based company has had profits, despite the continued price slump in metals. During the first nine months of 1985, Inco managed to earn \$44.6 million.

Inco accomplished this turnaround with drastic belt-tightening measures, including the elim-



The New York Times

ination during the past five years of more than 12,000 jobs worldwide, or 35 percent of its work force, including more than 6,000 jobs in Canada. Through bonus plans and increased union cooperation, the leaner company — which now produces slightly less than a third of the world's nickel — has more than doubled its productivity during that time.

"In terms of cost per pound, this is probably the most efficient nickel mine in the world," boasted Menno Friesen, manager of Inco's huge Creighton operation here, one of its many mines and mills scattered about a landscape so bleak that American astronauts came to Sudbury to practice moon-walking.

The focus on productivity in the mining industry is not unique to Inco, analysts say, noting that the harsher environment has taken its toll on other leading companies. Late last month, the To-

ronto-based Dominion Bond Ratings Service put three prominent Canadian mining companies on credit alert — Aluminco Ltd. of Canada, Cominco Ltd. and Noranda Mines Inc. Such American mining giants as Ammax Inc. and Phelps Dodge Corp. also have faced big problems.

As with Inco, the strategy most of these companies have adopted is to slash costs by replacing workers with technology. Such a shift "went right across the mining industry," said Bruce Reid, metals and mining analyst at the Toronto securities firm of Nesbitt Thomson Bonding Inc. While the minerals business has long been cyclical, the current downturn is different, most analysts say. The demand for basic metals is not expected to rebound, experts say, and as efficient as the industry's operations (Continued on Page 13, Col. 1)

Rescue Package For Pan-Electric Is in the Works

Reuters

SINGAPORE — A Malaysian millionaire's agreement to pay up to an estimated 140 million Singapore dollars (\$65.8 million) may save Pan-Electric Industries Ltd. from bankruptcy, banking sources said Wednesday.

They said that an interim package worked out with leading creditor banks and Tan Koon Swan, the Malaysian businessman, called for a three-month debt moratorium to allow time to find a long-term plan to save the ailing conglomerate.

Mr. Tan owns a substantial interest in Pan-Electric. The marine and property group was put in receivership with debts of 390 million dollars, plunging Singapore last week into its worst financial crisis in years.

The interim agreement awaits the approval of creditor banks, the sources said. A spokeswoman for Standard Chartered Bank, which shares with Citibank about half of Pan-Electric's debts, said an announcement would be made soon.

The near-collapse of Pan-Electric led to a unprecedented three-day suspension of share trading on the Stock Exchange of Singapore and the Kuala Lumpur Stock Exchange. The Singapore market experienced its worst one-day fall when it reopened last Thursday.

Banking sources said that under the interim package, Mr. Tan would honor Pan-Electric's contracts to make future share purchases, estimated to be worth at least 140 million dollars.

Mr. Tan, who injected 20 million dollars last weekend to allow the company to keep operating, would also pump in another 20 million.

[Mr. Tan signed an agreement Wednesday to provide the further 20 million dollars through an interest-free loan, according to a statement issued by him, creditor banks, and the receivers, Agence France-Presse reported from Singapore.]

The sources said talks on the restructuring plan would pick up where a committee of creditors left off before the move to put Pan-Electric into receivership. That committee recommended a halt to capital repayments for one year and interest payments calculated on a cost-of-funds basis.

Takeover Rumors Propel RCA Stock Still Higher

Compiled by Our Staff From Dispatches

NEW YORK — The stock of RCA Corp., which has been buffeted for months by rumors of imminent mergers, was up another \$5 in heavy trading late Wednesday, to \$37.625 a share, after rising \$3.875 a share on Monday and Tuesday.

RCA said it knew of no reason for the activity in its stock, but rumors circulating among traders had General Electric Co. preparing a takeover bid for the electronics and entertainment giant. By mid-afternoon, more than 3.5 million RCA shares had changed hands on the New York Stock Exchange.

Analysts said that Wall Street has recently been swept by rumors that RCA stock has been acquired by the Bass brothers, the wealthy Fort Worth investors who aided California-based Walt Disney Productions in its struggle to escape an unfriendly takeover last year.

A spokesman for the Basses said that the family had no comment on the RCA rumors.

Separately, analysts said that rumors have circulated on Wall Street that the company is planning a major repurchase of its own stock or a restructuring that includes the sale of its cornerstone NBC television network unit and other assets.

Interest in the stock also has been sharpened since last spring by intermittent merger discussions between RCA and Los Angeles-based MCA Inc., which have yet to produce any results.

The company has been viewed as an attractive takeover candidate for several reasons. Its NBC unit has enjoyed improving fortunes at a time when media assets generally have sold at high premiums. RCA has a strong balance sheet, and it is cash-rich, holding about \$1.1 billion in cash, according to the company's spokesman.

Many analysts, moreover, contend that the company's stock price is far below what it should be considering the value of the company's assets. Several maintain that RCA's stock should be valued between \$60 and \$90 a share.

"The stock price should be jumping on the fundamental value of the company alone," said Alan Kasan, an analyst with the First Manhattan brokerage in New York.

In addition to the NBC radio and television networks, RCA has defense and aerospace businesses, and makes televisions and phonograph records, electronic parts, and broadcast and satellite equipment. It has been cutting back weaker divisions, including its semiconductor and broadcast-equipment operations.

RCA's own concern about the prospect of a takeover has been apparent in the last two years. It recently adopted a series of anti-takeover devices. (LAT, Reuters)

Reagan Moves On Trade Talks With Canada

Washington Post Service

WASHINGTON — President Ronald Reagan has notified Congress that he wants to begin negotiating an agreement with Canada that could erase all barriers to U.S.-Canadian trade, which amounted to \$120 billion last year.

Mr. Reagan, in a letter Tuesday to the chairman of the House Ways and Means, and Senate Finance committees, said, "The initiation of new bilateral trade negotiations may significantly enhance our efforts to eliminate current trade frictions with Canada."

Congress has 60 legislative days to block the talks, but is regarded as unlikely to do so. Negotiations are expected to start in spring or early summer 1986.

Mr. Reagan telephoned Canada's prime minister, Brian Mulroney, to report he had begun the approval process.

Among U.S. objectives are the elimination of barriers to trade in services industries, such as banking, and to U.S. investment. Canada is eager to gain legal relief from future trade barriers that could hurt its sales to the United States.

Currency Rates

| Cross Rates | Dec. 11 |
|---------------------|---------|
| American dollar | 1.480 |
| British pound | 1.625 |
| French franc | 6.545 |
| German mark | 2.365 |
| Italian lira | 2036.0 |
| Japanese yen | 163.6 |
| Netherlands guilder | 3.600 |
| Swiss franc | 2.035 |
| Spanish peseta | 166.6 |
| South African rand | 1.660 |
| Swedish krona | 4.660 |
| U.S. dollar | 1.480 |

Changes in London and Zurich, Midwest in other European centers, New York rates at 2 P.M. (a) Commercial rates; (b) Amounts needed to buy one dollar; (c) Amounts needed to buy one unit of 100 (x) Units of 1,000 (y) Units of 10,000 N.A.; not quoted: N.A.; not available. (x) To buy one pound: \$1.625.

Other Dollar Values

| Currency per U.S. | Dec. 11 |
|---------------------|---------|
| Australian dollar | 0.825 |
| Belgian franc | 36.360 |
| Canadian dollar | 0.715 |
| Danish krone | 6.460 |
| Deutsche mark | 2.365 |
| French franc | 6.545 |
| Italian lira | 2036.0 |
| Japanese yen | 163.6 |
| Netherlands guilder | 3.600 |
| Swiss franc | 2.035 |
| Spanish peseta | 166.6 |
| South African rand | 1.660 |
| Swedish krona | 4.660 |
| U.S. dollar | 1.480 |

Source: Bureau de Statistique (Brussels); Banca Commerciale Italiana (Milan); Chemical Bank (New York); Banque Paribas (Paris); Bank of Montreal (Toronto); IMF (Washington); (a) Commercial rates; (b) Amounts needed to buy one dollar; (c) Amounts needed to buy one unit of 100 (x) Units of 1,000 (y) Units of 10,000 N.A.; not quoted: N.A.; not available. (x) To buy one pound: \$1.625.

Interest Rates

| Eurocurrency Deposits | Dec. 11 |
|-----------------------|---------|
| 1 month | 8 1/4% |
| 3 months | 8 1/4% |
| 6 months | 8 1/4% |
| 1 year | 8 1/4% |

Source: Money Market Reporter, Dec. 11, 1985. (ECU) = European Currency Unit. (USD) = U.S. Dollar. (GBP) = British Pound. (JPY) = Japanese Yen. (CHF) = Swiss Franc. (DEM) = Deutsche Mark. (FRF) = French Franc. (ITL) = Italian Lira. (NLD) = Dutch Guilder. (SEK) = Swedish Krona. (NZD) = New Zealand Dollar. (AUS) = Australian Dollar. (HKD) = Hong Kong Dollar. (SGD) = Singapore Dollar. (TWD) = Taiwan Dollar. (KRW) = Korean Won. (INR) = Indian Rupee. (BID) = Bangladeshi Taka. (PKR) = Pakistani Rupee. (LKR) = Sri Lankan Rupee. (MYR) = Malaysian Ringgit. (IDR) = Indonesian Rupiah. (THB) = Thai Baht. (VND) = Vietnamese Dong. (CNY) = Chinese Yuan. (RMB) = Renminbi. (HKG) = Hong Kong Dollar. (MOP) = Macao Pataca. (AUD) = Australian Dollar. (NZD) = New Zealand Dollar. (CAD) = Canadian Dollar. (USD) = U.S. Dollar. (GBP) = British Pound. (JPY) = Japanese Yen. (CHF) = Swiss Franc. (DEM) = Deutsche Mark. (FRF) = French Franc. (ITL) = Italian Lira. (NLD) = Dutch Guilder. (SEK) = Swedish Krona. (NZD) = New Zealand Dollar. (AUS) = Australian Dollar. (HKD) = Hong Kong Dollar. (SGD) = Singapore Dollar. (TWD) = Taiwan Dollar. (KRW) = Korean Won. (INR) = Indian Rupee. (BID) = Bangladeshi Taka. (PKR) = Pakistani Rupee. (LKR) = Sri Lankan Rupee. (MYR) = Malaysian Ringgit. (IDR) = Indonesian Rupiah. (THB) = Thai Baht. (VND) = Vietnamese Dong. (CNY) = Chinese Yuan. (RMB) = Renminbi. (HKG) = Hong Kong Dollar. (MOP) = Macao Pataca.

Key Money Rates Dec. 11

| United States | Dec. 11 |
|------------------------|---------|
| Discount rate | 7 1/2% |
| Federal funds | 8 1/4% |
| Prime rate | 9 1/4% |
| Banker's loan rate | 9 1/4% |
| Call money 90-120 days | 7 1/2% |
| 3-month Treasury bills | 7 1/2% |
| 6-month Treasury bills | 7 1/2% |
| CD's 90-day | 7 1/2% |
| CD's 6-month | 7 1/2% |

West Germany

| United States | Dec. 11 |
|-----------------------|---------|
| Overnight rate | 5.5% |
| 3-month average yield | 7.5% |
| 3-month Treasury bill | 7.5% |
| 6-month Treasury bill | 7.5% |
| CD's 90-day | 7.5% |
| CD's 6-month | 7.5% |

France

| United States | Dec. 11 |
|-----------------------|---------|
| Overnight rate | 5.5% |
| 3-month average yield | 7.5% |
| 3-month Treasury bill | 7.5% |
| 6-month Treasury bill | 7.5% |
| CD's 90-day | 7.5% |
| CD's 6-month | 7.5% |

Japan

| United States | Dec. 11 |
|-----------------------|---------|
| Overnight rate | 5.5% |
| 3-month average yield | 7.5% |
| 3-month Treasury bill | 7.5% |
| 6-month Treasury bill | 7.5% |
| CD's 90-day | 7.5% |
| CD's 6-month | 7.5% |

Source: Reuters, Commercial Bank, Credit, Finance, Bank of Tokyo.

Republic New York (UK) Limited

46 Berkeley Square, London W1X 5DB
Telex 889217

Please note that as from December 14th 1985 the new direct telephone number of the Eurobond Dealers will be

01-629 3535
(12 LINES)

If these lines are busy please use our other number

01-629 6662
(12 LINES)

The Daily Source for International Investors.



Weekly net asset value

Tokyo Pacific Holdings N.V.
on Dec. 9, 1985: U.S. \$152.79.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

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| 12 Month Gold Price | Stock | Dts. | v.M. | PE | St. | High | Low | Close |
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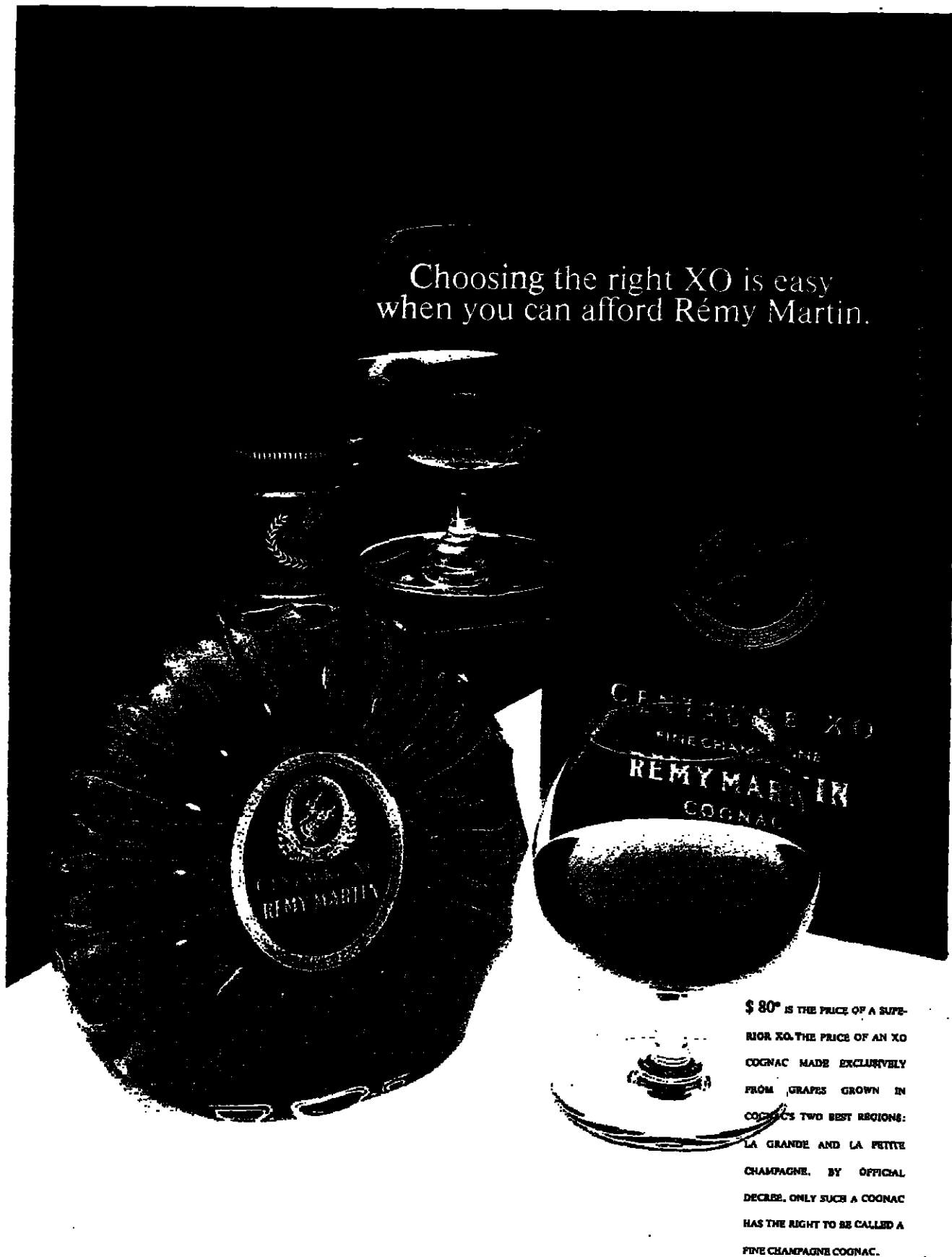
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IF YOU GET A KICK
OUT OF SOCCER, READ
ROB HUGHES
WEDNESDAYS IN THE IHT

[illegible]

London: Credit Suisse-First Boston Ltd

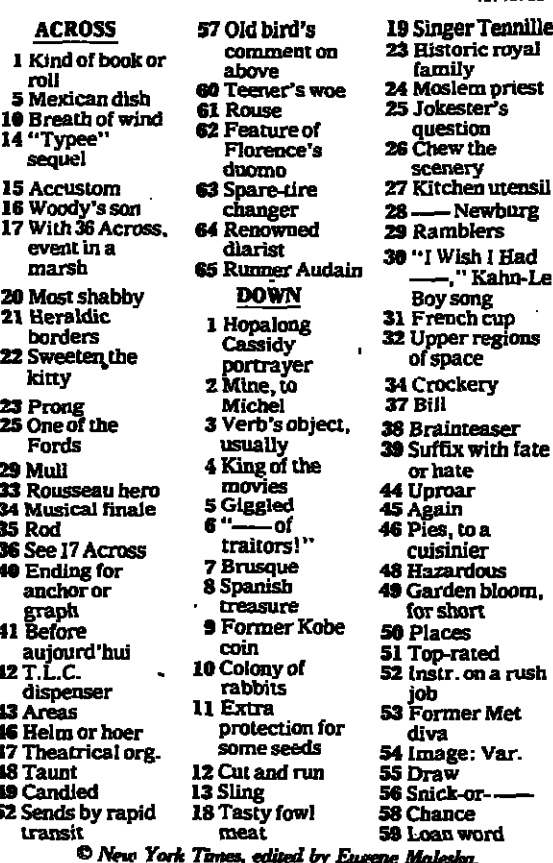
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when you can afford Rémy Martin.



THE XO COGNAC by REMY MARTIN
Exclusively Fine Champagne Cognac

Exclusively Fine Champagne Cognac

* SUGGESTED RETAIL PRICE IN THE U.S.A. PRICES ELSEWHERE MAY DIFFER.



Transcribe these four Jumbles, and place one letter to each square, to form our ordinary words.

YEDIT

DAULT

FISHTE

LEBALT

Now arrange the circled letters to form our ordinary words.

And to make a long story short... What he'd come to the point

WHAT "TALES" TOLD BY A LONG-WINDED BORE USUALLY HAVE TOO MANY OF

Now arrange the circled letters to form our ordinary words.

[illegible]

THURSDAY'S FORECAST - CHANNEL: Slight. FRANKFURT: Fair, Temp. 7-1 (45-34). LONDON: Cloudy, Temp. 10-8 (50-41). MADRID: Fair, Temp. 7-1 (45-32). NEW YORK: Rain, Temp. 7 (45-45). PARIS: Fair, Temp. 10-8 (50-41). RHONE: Cloudy, Temp. 12-8 (55-44). TEL AVIV: NA. ZURICH: Fair, Temp. 10-8 (50-41). HONG KONG: Cloudy, Temp. 8-8 (46-46). MANILA: Cloudy, Temp. 30-24 (86-75). SEOUL: Fair, Temp. 4-10 (25-41). SINGAPORE: Thunderstorms, Temp. 31-24 (88-75). TOKYO: Foggy, Temp. 9-2 (48-36).

MR. SANTA CLAUS?
MY NAME IS SALLY.
I'M CONCERNED ABOUT
YOUR WEIGHT...

WHEN WAS THE LAST
TIME YOU HAD A STRESS
TEST? HOW IS YOUR
CHOLESTEROL?

DO YOU HAVE
A CREASE IN
YOUR EAR LOBES?

HEY!

1-2-3-4

DAVE COVERLY

LOOK AT OUR OLD CLUNKER.

I CAN'T STAND IT ANOTHER DAY.

NEW MOOBLES.

\$5AVE

OUR OLD SWEETHEART!

WE LOVE YOU!

DAVE COVERLY

DID YOU SEE BEETLE'S FACE WHEN I SAID HE COULDN'T HAVE A PAGE? WAS HE MAD?

HA! HA!

WHEN HE GOT ON HIS KNEES TO BEG, I NEARLY SPLIT A GUT!

I JUST IGNORED HIM

HEY! WHERE'S THE SIX-PACK I HAD UNDER MY BED?

MORT WALKER

[illegible]

YOU SEEM TO BE IN GOOD HEALTH PHYSICALLY, MR. DENISON! YOU CAN GET DRESSED NOW--- THEN COME BACK TO MY OFFICE!

THANKS, DOCTOR!

MR. DENISON'S DAUGHTER IS ON THE PHONE! CAN YOU TALK TO HER?

IT WOULD BE BETTER IF I CALLED HER BACK! I DON'T SUPPOSE SHE TOLD YOU WHY SHE WAS CALLING?

NO---BUT I'D GUESS SHE'S JUST WORRIED ABOUT OLD DAD!

BRADLEY EDMONDSON 12-12

HAVE YOU FIGURED OUT GARBEL? YOU REFUSE TO TAKE LIFE ON BECAUSE YOU'RE AFRAID OF FAILURE

THAT SHOWS WHAT JOHN KNOWS ABOUT HUMAN NATURE

ACTUALLY, I HAVE A PEEP-SEATED FEAR OF SUCCESS

JOHN RAINS

Via Agence France-Presse Dec. 11
Closing prices in local currencies unless otherwise indicated.

[illegible]

| | | | | |
|----------------|-----|--------------|------|------|
| Sale and Lytle | 546 | Cold Storage | 2.87 | 2.80 |
| Tesco | 289 | DBS | 5.25 | 5.45 |
| Thorn EMI | 412 | Fraser Neave | 5.90 | 5.90 |
| T.J. Group | 377 | Haw Par | 1.77 | 1.79 |
| Trifactor Hse | 346 | Inchman | 1.49 | 1.50 |

[illegible]

| | | | | | | | | |
|------|------|------------------|---------|--------|--------|-------|------------------|----|
| 726 | 730 | Sales Stock | High | Low | Close | Chg. | 75272 Noranda | \$ |
| 1210 | 1270 | | | | | | 61115 Norcan | \$ |
| 7760 | 7900 | | | | | | 37287 Nya ASA 1 | \$ |
| 485 | 469 | 977 Abit Price | 518 | 17 1/2 | 18 | + 1/2 | 2075 Nowco S | \$ |
| 2010 | 1930 | 15514 Agnico E | 320 1/4 | 20 3/4 | 20 3/4 | - 1/4 | 936 Norwest Sp A | \$ |
| 135 | 135 | 2250 Agria Ind A | 39 1/2 | 9 1/2 | 9 1/2 | | | |

[illegible]

*Edited and translated by Barbara Beaumont. 197 pages. \$19.95.
W. W. Norton & Co., 500 Fifth Avenue.
New York, N. Y. 10110.*

Reviewed by Michiko Kakutani

WHEN Gustave Flaubert and Ivan Turgenev first met at a Left Bank writers' hangout in Paris in 1863, they were both accomplished writers, familiar with — and admirers of — one another's work. Flaubert, 41, author of the controversial "Madame Bovary," had just published "Salammbô," Turgenev, 4, was well-known as the author of "Hunting Sketches" and "Fathers and Sons." Although they would not start corresponding regularly for about five years, they felt an immediate intellectual kinship. They remained in touch until Flaubert's death in 1880.

As presented in this volume — with helpful background notes by the scholar Barbara Berman — the two men were charming, and at times deeply moving, portrait of Flaubert and Turgenev as 19th-century masters of fiction and as aging men sinking into the disconsolations of late middle age afflicted with physical infirmities, self-doubt and a darkening skepticism about literature and their age.

Certainly the two could not have been more compatible. Both had eschewed the possibilities of romance, love in the transcendent sense, and without distraction, to their art. Flaubert's tempestuous relationship with his mistress Louise Colet had long since been broken off, and Turgenev had settled into an unthreatening, if unsatisfying, friendship with the married Pauline Viardot. Both were entering that difficult period in their careers where early enthusiasm and recognition had given way to an awareness of the intractable difficulties of their art, a shared sense of aesthetic duty, a dedication to realism, to the objective and nonjudgmental representation of contemporary life, and a belief in the transcendent ideal of beauty.

Yet if both writers tried to keep the ephemeral imprint of personality out of their fiction — adhering to Flaubert's dictum that an artist should be like God, "present everywhere, yet visible nowhere" — they gave full vent to their

Solution to Previous Puzzle

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opinions, feelings and crutches in these letters, exchanging put-downs of their colleague Zola, reproaching the educated classes in Russia and in France for failing to implement social reform, and generally commiserating over the difficulties of writing.

Turgenev, "the gentle barbarian," as his friends described him, emerges as a gentleman, a wise, magnanimous fellow who in politics avoided the noisy extremes of both the right and the left and who in private life liked to play a passive, self-deprecating role, referring to himself as "an old fogey," "an old toad" living in an "old damp hole," and "a soggy pear." The same air of melancholy thus animates "Fathers and Children" and "Fathers and Sons" in his letters. His despair over Russia's future, his disappointments in love and art, and his priggish health combined to give him a decidedly dark vision of the world. He writes to Flaubert about the "general *l'ardium* vnaite," the boredom and disgust with all human activity that accompanies "the sadness of one's fiftieth year," and he speaks, too, of their marking "time like idiots, and I begin to believe that to all intents and purposes we are."

In his last years, Flaubert was similarly inclined toward pessimism, though his was, characteristically, less philosophical in tone, more personal in origin. He was beset with money worries and family problems, and he suffered, too, from terrible anxieties about his last — and unfinished — work, "Bouvard and Pécuchet." "I'm still working doggedly at my awful book," he writes Turgenev in 1878. "On certain days I feel crushed by this burden. It seems to me that I have no more marrow in my bones, and I carry on like an old post horse, worn out but courageous."

Having isolated himself in the countryside to devote himself to his solitary vocation, the high-strung, gregarious Flaubert craved human companionship, and as readers of his letters to Louise Colet well know, he could be a needy, demanding correspondent, pouring out his indignation and frustrations in florid, nutsy prose. As for his friendship with Turgenev, the "hermit of Croisset," as Flaubert was known, was clearly the more dependent one: He was forever beseeching "the Muscovite" to visit him or to write, often sounding curiously like a neglected lover.

While Turgenev was devoted and conscientious — he offered useful criticism as well as plain encouragement on every one of his friend's works, from "Sentimental Education" onward — he was also somewhat elusive, given his busy social schedule and often debilitating gout. This, needless to say, was the source of considerable frustration to Flaubert, who became especially irked when Turgenev — who had agreed to translate his friend's "Three Tales" into Russian — invented a variety of excuses to explain his slowness in finishing the task.

Such lapses, however, were rare. Indeed, the letters between these two "moles burrowing away in the same direction," as Turgenyev put it, form a remarkable testament not only to the literary nourishment the two writers gave one another, but also to the sustaining gift of friendship they exchanged.

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By Alan Truscott

ON the diagramed deal, consider how the defense against four hearts has been led to East's ace.

In practice, East returned a diamond. When West won, he returned a club to defeat the contract by one trick. That seems simple, but there are wheels within wheels.

Suppose that East held the club ace without the queen, and had a singleton diamond. In that case West would have to return a diamond, and the

How can West tell what to do? In theory he should certainly return a diamond. If East has a doubleton diamond, he can afford to make a passive return of a spade or a trump.

knowing that the three tricks in the minor suits can come later. South cannot dispose of his club losers until he has driven out West's hypothetical diamond ace.

In practice, West played a club because East had hesitated considerably before returning a diamond. The contention was that a singleton diamond would have been returned briskly, and that West was influenced, consciously or subconsciously, by the slowness of his partner's play.

There is an argument on the other side. If East has the hand with a singleton diamond combined with the club ace but no queen he should perhaps cash the club ace before leading his diamond, making it clear that a diamond is not wanted.

However, that defense would be disastrous in some situations in which South has a singleton diamond ace.

NORTH (D)
 ♠ J 10
 ♥ 10 3
 ♦ K Q J 10 7 3
 ♣ K 9 8

WEST
 ♠ 7 2
 ♥ 8 5 4 2
 ♦ A 9 6 5
 ♣ 6 3 2

EAST
 ♠ A Q 9 8 5
 ♥ 3
 ♦ 4 2
 ♣ A Q J 7 4

SOUTH
 ♠ K 9 4 J
 ♥ A K Q J 7 6
 ♦ 8
 ♣ 10 5

East and West were vulnerable
The bidding:

| North | East | South | West |
|-------|------|-------|------|
| Pass | 1 ♣ | 2 ♣ | Pass |
| Pass | Pass | 4 ♣ | Pass |

West led the ace of trumps.

[illegible]

